

**HOUSING OF THE WORKING CLASSES
(IRELAND) BILL.**

**FINANCIAL ASSISTANCE
TO
LOCAL AUTHORITIES.**

Presented to Parliament by Command of His Majesty.

- I. Draft Regulations.**
- II. Copy of Circular issued by the Local Government Board for Ireland.**

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HOUSING OF THE WORKING CLASSES (IRELAND) BILL.

I.—Draft Regulations under Clause 5 of the Bill as presented to Parliament.

To the Councils of the several County Boroughs, Boroughs and other Urban Districts in Ireland;—

To the several bodies of Town Commissioners in Ireland;—

And to all others whom it may concern.

Whereas by Section 5 (1) of the Housing (Ireland) Act, 1919, it is enacted that if it appears to the Local Government Board that the carrying out by a local authority of any scheme approved under Section 1 of that Act or the carrying out of a re-housing scheme in connection with a scheme made under Part I. or Part II. of the Housing of the Working Classes Act, 1890, has resulted or is likely to result in a loss, the Board may, if the scheme is carried out within such period as may be specified by the Board, with the consent of the Treasury, pay or undertake to pay to the local authority, out of moneys provided by Parliament, such part of the loss as may be determined to be so payable under regulations made by the Board, with the approval of the Treasury, subject to such conditions as may be prescribed by those regulations :

Now therefore, We, the Local Government Board, in pursuance of Our powers under the recited enactment and under any other statutes in that behalf, and with the approval of the Lords Commissioners of His Majesty's Treasury, hereby make the following Regulations :—

Article 1.—In these Regulations, unless the contrary intention appears :—

- (a) The expression " the Board " means the Local Government Board for Ireland ;
- (b) The expression " Local Authority " means any Local Authority referred to in Section 5 of the Housing (Ireland) Act, 1919 ;
- (c) The expression " Auditor " means an Auditor appointed by the Board ;
- (d) The expression " the Housing Acts " means the Housing of the Working Classes (Ireland) Acts, 1890 to 1919 ;
- (e) The expression " the Act of 1890 " means the Housing of the Working Classes Act, 1890 ;
- (f) The expression " the Act of 1919 " means the Housing (Ireland) Act, 1919 ;
- (g) The expression " rate " means the rate out of which the expenses of the execution of Part III. of the Act of 1890 are defrayed.

Article II.—For the purpose of these Regulations:—

(1) The schemes towards the losses on which the Board is liable to contribute under Section 5 of the Act of 1919, out of moneys provided by Parliament, shall include:—

- (a) Any scheme which is submitted to the Board in pursuance of Section 1 of the Act of 1919, within three months from the date of the passing of that Act; and
- (b) Any re-housing scheme in connection with an improvement or reconstruction scheme under Part I. or Part II. of the Act of 1890;

in so far (in each case) as the scheme is approved by the Board; and all such schemes which relate exclusively to the area of any one Local Authority, or, in the case of a joint scheme, to the areas of the Local Authorities acting jointly, shall be regarded together as one scheme, and, if a payment may be made as hereinafter provided in respect thereof, are hereinafter together referred to as an "assisted scheme":

Provided that no such payment shall be made:—

- (a) Unless the Board are satisfied that reasonable progress has been made with the carrying out of the scheme within 12 months from the passing of the Act of 1919:
- (b) In respect of any scheme not carried out before the expiry of a period of three years from the passing of the Act of 1919, or such later date as the Board may allow, regard being had to the supplies of labour and material available from time to time and all other local or general circumstances affecting the carrying out of the scheme:
- (c) In respect of the cost of acquiring or clearing a site under Part I. or Part II. of the Act of 1890 where the site had been acquired or cleared (as the case may be) before the 31st day of March, 1919.

(2) A scheme shall be deemed to have been carried into effect when all the houses to be provided or acquired thereunder are let or available for letting.

(3) The sums which a local authority is liable to pay or to set apart in respect of moneys borrowed for the purposes of an assisted scheme shall not be included in the annual housing charge of that authority for the purposes of the distribution of the Irish Housing Fund under Section 5 of the Housing of the Working Classes (Ireland) Act, 1908.

Article III.—(1) In addition to any other accounts which they are required to keep under the Housing Acts the Local Authority shall for the purposes of an assisted scheme keep a separate revenue account to be called "The Housing (Assisted Scheme) Account,"

(2) They shall cause to be credited to the said account :—

- (a) The rents (inclusive of rates where rates are payable by the owner) in respect of any houses provided or acquired by them under the assisted scheme; and
- (b) Any other income which may properly be credited to the said account.

(3) They shall cause to be debited to that account :—

- (a) The annual sums required for the payment of interest and repayment of principal in respect of all moneys borrowed by them for the purposes of the assisted scheme which in the opinion of the Board may properly be debited to the said account;
- (b) The rates, taxes, rents or other charges payable by them in respect of any land or houses acquired, leased or provided by them under the assisted scheme;
- (c) The annual premium payable by them in respect of the insurance against fire of any houses acquired or provided by them for the purposes of the assisted scheme;
- (d) The expenditure incurred in respect of supervision and management of the houses provided by them under the assisted scheme;
- (e) The expenditure incurred by them in and about the repair or improvement of any property acquired or provided by them for the purposes of the assisted scheme; and
- (f) Any other expenses which may properly be debited to the said account.

(4) Any deficit shown by the said account at the conclusion of each financial year, in so far as that deficit is not covered by the payment to be made by the Board to the Local Authority as hereinafter provided, shall be met by the Local Authority out of the fund or rate out of which the expenses of the scheme are payable.

(5) (a) The Housing (Assisted Scheme) Account shall be made up and shall be audited by the Auditor in like manner, and subject to the same provisions, as the accounts of an Urban District Council, and for this purpose the enactments and regulations relating to the audit of those accounts by Auditors, and to all matters incidental thereto and consequential thereon, shall apply, so far as necessary.

(b) The Auditor shall give to the Local Authority a certificate stating the deficit shown by the said account at the conclusion of the financial year covered by his audit and the total amount of the rents actually collected during that year.

- (c) After the conclusion of each financial year the Local Authority shall forward to the Board a copy of the Housing (Assisted Scheme) Account as audited and certified by the Auditor, and a copy of the certificate mentioned in the preceding paragraph.

Article IV.—(1) (a) Pending the completion and letting of the houses, the subsidy from the State will be equal to the interest on the first and subsequent instalments of the loan for a maximum period of one year from the signing of the contracts for the erection of the houses.

- (b) After the first letting of the houses, subject to the provisions of these Regulations, the amount of the payment to be made in any financial year by the Board to the Local Authority out of moneys provided by Parliament (hereinafter referred to as "the Exchequer subsidy") shall be determined by the Board on the basis of any actual deficit incurred during the preceding year by the Local Authority under the Assisted Scheme, as shown by the certificate of the Auditor mentioned in Article III. (5) of these Regulations, and shall be in the ratio of five to four as compared with the amount of the rents stated in the certificate to have been actually collected.

Provided that :—

- (i) The amount of the Exchequer subsidy may be in the ratio of eleven to eight as compared with the amount of the aforesaid rents, in any case where it is proved to the satisfaction of the Board that exceptional necessity exists.
- (ii) The subsidy shall in no case be greater than the actual deficit incurred.

(2) The Exchequer subsidy as determined under this Article shall be payable, in respect of each financial year subsequent in whole or part to the period mentioned above in sub-division (1) (a) of this Article, during the currency of the loans raised by the Local Authority for the purposes of the assisted scheme.

Provided that in respect of any financial year subsequent to the 31st day of March, 1927, the ratio of the Exchequer subsidy to the amount of collected rents shall, in respect of any assisted scheme, be liable to reduction if the Board consider that there is sufficient evidence to show that the Local Authority concerned has not exercised due economy in management and has not secured the best rents obtainable.

(3) For the purposes of sub-division (1) of this Article :—

Where the Local Authority appropriate any capital moneys belonging to them for defraying any expenditure incurred by them for purposes of an assisted scheme for which the Local

Authority are authorised to borrow moneys, the rate of interest on the capital moneys so appropriated shall be calculated as follows :—

- (a) Where moneys have been borrowed by the Local Authority for the purposes of the assisted scheme from sources other than funds at the disposal of the Local Authority, the rate of interest shall be the same as that payable on the moneys so borrowed :
- (b) Where no moneys have been borrowed by the Local Authority as aforesaid the rate of interest shall be the same as that in force for the time being for loans for assisted schemes advanced by the Commissioners of Public Works in Ireland.

Article V.—These Regulations may be cited as “ The Housing (Assisted Scheme) Regulations (Ireland), 1919,” and shall, unless and until revoked or altered by the Board, with the approval of the Lords Commissioners of His Majesty’s Treasury, apply and have effect with respect to any assisted scheme made by a Local Authority :

Provided that, in any case where one area is affected by two or more assisted schemes, or in any other case where a difficulty arises with regard to the application of these Regulations, the Board may by Order make any such minor modification of these Regulations as may be necessary in regard to any particular scheme for the purpose of giving effect to the intention of these Regulations.

II.—Copy of Circular issued by the Local Government Board for Ireland to Local Authorities on the 31st March, 1919.

SIR,

1. I am directed by the Local Government Board for Ireland to inform you that His Majesty’s Government have considered the terms of financial assistance that should be given to local authorities in connection with the provision of houses for the working classes in urban districts and towns in Ireland at the present time. The Government are desirous of securing the rapid erection of the number of houses needed to make good the existing shortage, and they believe that under the terms now proposed they will be able to rely upon the active and energetic co-operation of the local authorities as a whole.

2. The housing schemes of local authorities to which the State will be prepared to grant financial assistance, if they are submitted in complete form to the Local Government Board before the 15th April, 1920, and carried out within a period of two years from the date of the Board’s sanction, or within such further period as may be approved by the Board, are :—

- (a) Schemes under Part III. of the Housing of the Working Classes Act, 1890, for any area for which the Board are satisfied that it is desirable that houses for the working classes should be provided.
- (b) Re-housing schemes in connection with improvement and reconstruction schemes under Parts I. and II. of the Housing of the Working Classes Act, 1890, except that no part of the cost of acquiring and clearing a site would be made the subject of financial assistance if either (1) the site had been acquired or cleared before the date of this letter, or (2) the needs of the district could, in the opinion of the Board, be adequately met by means of a scheme under Part III.

3. The full cost of a scheme will, in the first instance, be met out of a loan or loans raised by the local authority and, while the Treasury are prepared to make loans from the Local Loans Fund where this is necessary, it is essential, having regard to the heavy claims on that Fund, that wherever possible, and in particular in the case of large authorities, loans should be raised by the authorities themselves in the open market. As the financial assistance to be granted from public funds for housing schemes will take the form of a subsidy, as explained below, and as it is important to secure that the whole of the State assistance may be given under one head, any loans granted from the Local Loans Fund for the purpose of assisted schemes will not be made at the preferential rates ordinarily allowed for housing loans, but at a rate fixed by the Treasury so as to correspond with the full current market rate of interest.

4. In respect of any approved housing scheme, or series of schemes, carried out by a local authority within the period mentioned, Parliament will be asked to vote financial assistance calculated on a basis estimated to relieve the local authority of any loss incurred within a maximum of one pound for one pound of the rent actually collected each year from the occupiers of the houses, as certified by the Local Government Board Auditor. The amount of the subsidy will be reconsidered at the end of seven years, when it will be open to the Local Government Board to reduce it if they consider that there is evidence that the Local Authority has not exercised due economy in the management and in not securing the best rents obtainable.

Pending the completion and letting of the houses, the subsidy from the State will be equal to the interest on the first and subsequent instalments of the Loan for a maximum period of one year from the signing of the contracts for the erection of the houses.

It must, however, be borne in mind that schemes subsidised in these ways will not be entitled to participate in the distribution of the Housing Fund provided by the Housing of the Working Classes (Ireland) Act, 1908.

5. The Local Government Board rely upon the local authorities to exercise the utmost economy in the making of contracts, the selection of land, and the cost of management, as if by reason of any failure to observe these conditions the cost of the houses involved a rent which, even with the subsidy, would place them beyond the rent-paying powers of the working classes for whom they are intended, and would result in their being occupied by more comfortably-circumstanced people, the Board would be obliged to consider the propriety of reducing the subsidy, or withdrawing it altogether.

6. The Board, with the approval of the Treasury, have requested the Royal Institute of the Architects of Ireland to conduct an architectural competition under conditions calculated to secure designs for suitable and economical types of houses grouped in the most advantageous manner on typical sites, and copies of the premiated designs will be available for the guidance of local authorities after the awards of the assessors have been made.

7. Legislation will shortly be introduced to give the necessary statutory powers to local authorities which may be required in regard to the provision of houses for the working classes, to enable local authorities under the Housing Acts to assist Public Utility Societies to provide houses for the very poor, to deal with bye-laws and local Act provisions which may be found to impede desirable housing proposals, and generally to facilitate the execution of schemes.

8. In view of the pressing urgency of the housing situation, the preparation of their schemes by the local authorities should not be postponed until the introduction of the proposed legislation. Having regard to the terms of the financial assistance now offered, the arrangements which are being made for the provision of materials and the supply of labour which is becoming available owing to the cancellation of war contracts and the demobilisation of the Forces, there should be no reason for any delay. The Government are looking to the local authorities to start at once upon the housing schemes which are regarded as forming one of the most urgent and essential parts of the whole programme of reconstruction.

I am, Sir,

Your obedient Servant,

A. R. BARLAS,

Secretary.

To

The Town Clerk of each County Borough.

The Clerk of each Urban District Council.

The Clerk to the Town Commissioners.

Local Government Board,

Dublin, 24th July, 1919.